

Consulting Strategies*

Recently, a number of local municipal bodies have sought professional assistance in changing over from cash to accrual basis of accounting. For the members of the Institute of Chartered Accountants of India this represents an opportunity to apply their skills to this new field. However, since local bodies are contextually and constitutionally different organizations as compared to the usual business enterprises, therefore different consulting strategies are necessary to carry out the work.

Generally speaking, in urban local bodies, three major types of consulting strategies could be adopted:

- Bottom-up
- Organization-wide
- Top-down

Before adopting any consulting strategy it is imperative to get a better overall picture of the administrative structure of the Municipal bodies. This implies understanding the relevant hierarchies, both at the Headquarter and the district/ward or Sub-headquarter levels. For this, it is necessary to conduct a study of the administrative structure both at the Headquarters and the Sub-headquarters.

Bottom-up Strategy

	Devise the Accounting Manual
	Implement it from the bottom-most level
	Check all Transaction recording
	Provide regular guidance and on-the-job training

The bottom-up strategy essentially means that the conversion process is initiated from the bottom-most layers of the organization, i.e., the personnel who are tasked with the giving and taking of moneys and the personnel who are tasked with the preparation of basic accounting formats. Essentially this means that the clerks and lower level officers of the organization are exposed to the new system, to initiate the process of conversion. The system then builds up through the accumulation of transactions recorded on the new formats, which are verified and re-verified by those who are in charge of the conversion process.

This sequence of events requires that there is an Accounting Manual, which is prepared prior to the initiation of the implementation process. The adoption of the accounting manual by the lower level functionaries is the crucial factor. Given that the lower level functionaries in most urban local bodies are at best only semi-skilled in accounting matters, therefore, the accounting manual must be such that it is easy to understand; but more important than that is the designing of the training inputs to these functionaries.

It is recommended that the consultant largely confine himself to making presentations and offering comments, leaving the process of 'buy-in' to emerge from the series of meetings, which then essentially are between the core group of employees belonging to the urban body and the unions and the opinion makers amongst the lower level functionaries.

Organization-wide Strategy

	Demands total understanding of initial system across
	Demands total commitment of all personnel at all
	Simultaneous introduction of new system together with MIS and budgetary system
	Comprehensive software may be required for larger entities

The Organization-wide Strategy is best used when there is reason to believe that all levels of the organization are simultaneously and totally committed to the proposed change. In this approach, there is a concurrent introduction of the changed accounting system together with an updated and/or modified Management Information System and Budgetary System.

Clearly then, the adoption of an organization-wide strategy will have as its pre-requisite the condition that there is total understanding of the purpose, the process and the implementation strategy across all levels. This is a condition normally not available. Also because of the substantial nature of changes, mistakes in one sub-system can have a cascading effect, which then becomes very difficult to deal with. Since we are now talking about a comprehensive change, the total system must run in parallel with the existing one, in order that there is no discontinuity of services to the citizens. This creates pressure on manpower and other resources.

Top-Down Strategy

➡	Implementation can be in clearly identified Phases
➡	Ownership of the Project proceeds top downwards- once begun, cannot go back
➡	Consulting Strategy can be quite flexible
➡	No need to make major investments on software initially
➡	Can be designed so as not to affect clerical levels in any material way

The Top-down approach really begins by implementing changes at the top or the headquarter's level and then steadily progressing downwards. The main advantage of this approach is that implementation of the changes can be in clearly identified phases, each phase modularly connected to the one preceding it as well as the one succeeding it. The ownership of the project also proceeds top downwards. This means that once the project begins, there cannot be any retro crate steps. As a result, the consulting strategy can be quite flexible and the total change-over process can be designed so as not to create pressures on the lower levels of the organization.

In all the three strategies, a major factor is the commitment of the top management itself. It is recomme-

ned that the consultant should carefully consider the argument that would be particularly applicable to the situation at hand. It must be noted that the arguments, which are valid for the top management, are not necessarily the ones, which make sense to other levels in the organization. For the lower levels, the primary concern is whether the whole process is going to add to their workload. Thus, in making presentations for these levels or in meetings with them, arguments based on the advantages of computerized accounting may be used in addition to such others as may be considered necessary in an organization-specific and situation-specific context.

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